

DECLARATION OF EMERGENCY

Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

Hospital Prospective Reimbursement Methodology

The Department of Health and Hospitals, Office of Secretary, Bureau of Health Services Financing has adopted the following emergency rule in the Medical Assistance Program as authorized by R.S. 46:153 and pursuant to Title XIX of the Social Security Act and as directed by the 1996-97 General Appropriations Act, which states: "The Secretary shall implement reductions in the Medicaid program as necessary to control expenditures to the level approved in this schedule. The Secretary is hereby directed to utilize various cost containment measures to accomplish these reduction, including but not limited to pre-certification, pre-admission screening, and utilization review, and other measures as allowed by federal law." This emergency rule is in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq, and shall be in effect for the maximum period allowed under the Administrative Procedure Act or until adoption of the rule.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing currently provides reimbursement for certain specialty hospital services including rehabilitation hospitals and long-term hospitals under specialty hospital peer groups as published in the *Louisiana Register*, Volume 19, Number 11 of November 20, 1993. The bureau has now determined it is necessary to prospectively reimburse rehabilitation hospitals and long-term hospitals within the peer groups established for general medical and surgical acute care hospitals according to the number of certified, staffed, non-psychiatric beds, but will continue to apply existing rehabilitation and long-term hospital utilization review criteria for determination of length of stay and reimburse rehabilitation hospitals and long-term hospitals at the peer group per diem for psychiatric patient days through December 31, 1996. This action is necessary to avoid a budget deficit in the medical assistance programs. It is anticipated that implementation of this emergency rule will save approximately \$9,466,396 for state fiscal year 1996-1997.

Emergency Rule

Effective for dates of service July 1, 1996 and thereafter, The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing will prospectively reimburse rehabilitation hospitals and long-term hospitals within the peer groups established for general medical and surgical acute care hospitals according to the number of certified, staffed, non-psychiatric beds, but will continue to apply existing rehabilitation and long term hospital utilization review criteria for determination of length of stay and will reimburse rehabilitation hospitals and long-term hospitals at the general medical and surgical acute care hospital peer group per diem for psychiatric patient days through December 31, 1996. Effective for dates of service on or after January 1, 1997, The Department of Health and Hospitals, Bureau of Health Services Financing will reimburse rehabilitation hospitals and long-term hospitals at the psychiatric prospective payment rate for psychiatric patient days.

Interested persons may submit comments to: Thomas D. Collins, Office of the Secretary, Bureau of Health Services Financing, Box 91030, Baton Rouge, LA 70821-9030. He is responsible for responding to inquiries regarding this emergency rule.

Bobby P. Jindal
Secretary